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CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

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CONFIDENTIAL

COUNTRY Germany (Russian Zone)/Poland

DATE DISTR. 21 NOV 50

SUBJECT New Steel Plant Planned at Fürstenberg-Schönfliess

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SUPPLEMENT TO REPORT NO. 50X1-HUM



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1. A new steel plant is to be located on the left bank of the Oder, at Fürstenberg - Schönfliess. The site has been chosen for the following main reasons:
 - a. Easy access to iron ore [redacted] on waterways, via Stettin. 50X1-HUM
 - b. Easy waterway access to hard coal and/or coke from Upper Silesia, Poland.
 - c. Easy transport of lignite and brown coal briquettes from nearby brown coal mines at Fünfeichen.
 - d. Ready supply of electricity from the Finkenheerd power station.
2. The plant is to be set up as follows:
 - a. Six blast furnaces of 450 tons each with a total annual capacity of 550,000 tons of raw iron (at 300 working days per annum for five furnaces in working order) are to be built.
 - b. The raw iron produced by the blast furnaces is to be used in its heated fluid form in a number of Siemens - Martin furnaces and electro-furnaces for the production of various types of steel.
 - c. No full decision has yet been taken regarding the exact type of rolling mills to be set up but it is known that a sheet rolling mill with an annual capacity of 150,000 tons is among those contemplated.
 - d. A cast iron mold foundry is to be incorporated into these steel works. Its capacity is planned to meet the total requirements of the Russian Zone.
3. Raw materials will be supplied as follows:
 - a. The coke supply, estimated at 800,000 tons per year, will reach the plant from Upper Silesia, Poland, by barge on the Oder. 50X1-HUM
 - b. The iron ore will [redacted] also reach the plant by barge on the Oder. The Russian authorities have already completed negotiations [redacted] for the supply of 1,000,000 tons of iron ore 50X1-HUM

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solely for this new project.

4. A cement works, of unknown capacity, is to be erected alongside the steel works.
5. It is planned to erect a large workers' settlement to accommodate 12,000 workers and their families totalling 40,000 in all.
6. Fritz Selbmann, Minister of Industry, DDR, personally felled the first tree on the new site in mid-August 1950. The laying of the foundation stone was planned for mid-September 1950.
7. In spite of Russian methods of improvisation, German steel industry experts consider it impossible to carry-out this project without importing 
8. The plant will require a capital investment of DM (Ost) 500,000,000.
9. The Polish Government is planning the erection of a similar plant of double the capacity on the right bank of the Oder, opposite Fürstenberg.

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